State of Florida

Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 23, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Matlock, Lester, McNulty, Draper, Slemkewicz)
Office of the General Counsel (Bennett, Young)

RE: Docket No. 080001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

AGENDA: 07/01/08 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: McMurrian

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080001.FPU.RCM.DOC

Case Background

On June 13, 2008, Florida Public Utility Company (FPUC) filed a Petition for Approval of Mid-course Correction. Concurrently with its petition, FPUC also filed the testimony of Witness Mark Cutshaw in support of the Company's proposed mid-course correction to its fuel factor. The Commission had previously approved the fuel cost recovery factor for FPUC by Order No. PSC-08-0030-FOF-EI, issued January 8, 2008, in Docket No. 070001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

FPUC requests the mid-course correction following the procedure of Order No. 13694, issued September 20, 1984, in Docket No. 840001-EI and Docket No. 840003-GU, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor; In re:

Purchased gas cost recovery clause, and Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, in Docket No. 980269-PU, In re: Consideration of change in frequency and timing of hearing for the fuel and purchased power cost recovery clause, capacity cost recovery clause, generating performance incentive factor, energy conservation cost recovery clause, purchased gas adjustment (PGA) true-up, and environmental cost recovery clause, and Order No. PSC-07-0333-PAA-EI, issued April 16, 2007, in Docket No. 070001-EI.

Mid-course corrections are used by the Commission between fuel hearings whenever costs deviate from revenue by a significant margin. In Order No. 13694, the Commission established "a procedure by which the utilities would notify the Commission that their collections of projected fuel costs were going to be either over-recoverd or under-recovered by 10%." By Order No. 13694, the Commission made it a requirement that for any six-month recovery period, a utility must give the Commission a written notice when the utility becomes aware that its projected fuel revenues were either over or under recovered in excess of 10% of its projected fuel costs for the period.[1] Failing to do so would result in the Commission disallowing the utility to collect interest on any portion of the under-recovery in excess of 10%.

In Order No. 98-0691-FOF-PU, the Commission determined to move the fuel clause hearings biannual to annual proceedings. In determining to move to an annual docket, the Commission also addressed mid-course corrections. The Commission re-iterated its established policy to require a utility to notify the Commission when the utility's projected fuel revenue will result in an over-recovery or under-recovery in excess of ten percent of its projected fuel costs for the period.

The Commission, in deliberating the appropriateness of mid-course corrections, has enunciated several reasons for approving mid-course corrections. In Order No. 23906, issued December 20, 1990, in Docket No. 900001-EI, the Commission found that Florida Power & Light Company's mid-course correction, even though the under-recovery did not reach the 10% threshold, was in the best interest of FPL's ratepayers. FPL would be entitled to collect interest if the adjustment was deferred. Also, the magnitude of the under-recovery made it preferable to approve the mid-course. In analyzing its decision, in Order No. 23906, the Commission stated "one of the purposes of levelizing fuel cost recovery is to prevent consumer 'rate shock,' which may be caused by volatile fuel prices. We find that approval of the mid-course correction requested by FPL would similarly help avoid excessive rate shock in that it will lessen the accumulation of a fuel cost under-recovery." Id at p.4.

Another regulatory reason for granting mid-course corrections was stated in Order No. 02-0501-AS-EI, issued April 11, 2002, in Docket No. 001148-EI and Docket No. 020001-EI, In re: Review of the retail rates of Florida Power & Light Company; and In re: Fuel and purchased power cost recovery clause with generating performance incentive factor. In that docket, FPL proposed to refund part of its anticipated over-recovery balance to ratepayers by mid-course correction. The Commission approved stating that "[i]n the interest of matching fuel revenues with fuel costs, FPL's proposal to refund part of its anticipated over-recovery balance to its ratepayers sooner rather than later is appropriate." Order No. PSC-02-0501-AS-EI at p. 8.

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[1] At the time of Order No. 13694, fuel hearings were held every six months.

In 2003, the Commission rendered a series of decisions on mid-course corrections in Docket No. 030001-EI. In Order No. PSC-03-0381-PCO-EI, issued March 19, 2008, and Order No. PSC-03-0849-PCO-EI, issued July 22, 2003, the Commission granted FPL's mid-course corrections. In Order No. PSC-03-0400-PCO-EI, issued March 24, 2003, the Commission approved Tampa Electric Company's mid-course correction petition. In Order No. 03-0382-PCO-EI, issued March 19, 2003, the Commission granted PEF's petition for mid-course correction. These four orders demonstrate the factors considered by the Commission in its evaluation of past mid-course correction requests. In the 2003 orders, the Commission found that granting a mid-course correction beginning in April 2003 would provide a better price signal to customers rather than waiting to recover those costs from customers in January 2004. In other words, a more current recovery of increased costs would provide a better match between the time costs are incurred and the time they are recovered. Furthermore, the Commission was concerned that deferring 2003 costs until 2004 could result in a more severe impact upon customer rates in 2004, especially if the actual 2003 costs or 2004 costs are greater than the newly projected costs. Finally, by granting the mid-course correction, the customers will not pay as much interest on the under-recovery.

Over the years the Commission has also clarified the manner in which the mid-course proceedings are conducted. In the early 1990's, the mid-course corrections were decided using the Proposed Agency Action process. In 2001, in a review of the move from semi-annual to annual fuel clause hearings, the Commission also clarified its position on the procedural handling of mid-course corrections: "[W]e have granted or denied such [mid-course correction] petitions through informal proceedings after testing the reasonableness of actual and revised projected data supporting a utility's petition for a mid-course correction." Order No. PSC-01-1665-PAA-EI, issued August 15, 2001, in Docket No. 010001-EI, p. 5. In that order, the Commission also acknowledged that the hearing and any refunds due customers because of the mid-course correction would occur in the November fuel hearings. In 2007, the Commission clarified the manner in which the over or under-recovery was to be calculated. In Order No. PSC-07-0330-FOF-EI, issued April 16, 2007, in Docket No. 070001-EI, the Commission confirmed that prior year under-recoveries not included in the current factor should be included in reporting over-recovery and under-recovery calculations.

Mid-course corrections are part of the fuel proceeding. They are considered preliminary procedural decisions. The Commission takes testimony regarding those costs in its November hearing. Any over-recoveries or under-recoveries caused by or resulting from the new factor adopted by the mid-course correction may be included in the following year's fuel factor. The Commission's jurisdiction to consider fuel clause proceedings derives from the Commission's authority to set fair and reasonable rates, Section 366.05, Florida Statutes. The fuel clause proceedings are exempted from rulemaking. Section 120.80(13)(a), Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve FPUC's petition for mid-course corrections to its authorized fuel and purchased power cost recovery factors allowing FPUC to collect its estimated 2008 under-recoveries for the Fernandina Beach Division ($1,843,597) and the Marianna Division ($1,484,023) before 2009?

Recommendation: Yes. The Commission should approve FPUC's petition. Accordingly, the Commission should approve FPUC's increases to its cost recovery factors to collect its estimated 2008 under-recoveries for the Fernandina Beach Division ($1,843,597) and the Marianna Division ($1,484,023). Staff recommends that the Commission approve FPUC's proposed rate class recovery factors shown in Attachment A. (Matlock, Lester, McNulty, Draper)

Staff Analysis:

Calculation of Under Recovery

Order No. PSC-07-0333-PAA-EI[2] clarified that the Commission requires each investor-owned electric utility to notify the Commission when its revenue estimate less its fuel-and-purchased-power expense estimate is ten percent or greater than its recovery-period revenues ("mid-course percent"). Revenues minus expenses are represented by the utility's estimated December End-of-Period Total Net True-up, and includes the difference (revenues less expenses) accumulated late in the prior year, and interest. Revenues are represented by period-total estimated Jurisdictional Fuel Revenue Applicable to Period (Table 1). Staff has reviewed FPUC's 2008 "F1" (Fernandina) and "M1" (Marianna) Schedules and confirmed FPUC's December 2008 calculations. In keeping with Order No. PSC-07-0333-PAA-EI, the terms "over-recovery" and "under-recovery" refer to the estimated true-up amounts including the 2007 true-up and 2008 interest (Table 1). The under-recovery amounts are estimates for the end of 2008. FPUC under-estimated both divisions' December 2007 true-up amounts. At the end of 2007 and in early 2008, both divisions were "over-recovered," with positive monthly true-ups. The Marianna Division (FPUC-M, or Northwest Division) was over-recovered through March. FPUC estimates that the Fernandina Beach Division (FPUC-F, or Northeast Division) will remain over-recovered through July, after which time it will be under-recovered. Thus, for both divisions, FPUC estimates that the monthly balances of the under-recovery will decline through 2008.

Ordinarily, the IOUs petition for mid-course cost recovery factor revisions when mid-course percentages are 10 percent or greater. FPUC's estimated December 2008 under-recovery percents amount to 8.91 percent (FPUC-F) and 6.02 percent (FPUC-M). FPUC has petitioned for recovery factor revisions to reduce the estimated 2008 under-recoveries to zero dollars (estimated) by year's end. If FPUC's mid-course correction proposal is approved by the Commission, FPUC's 2008 actual/estimated true-ups will be lower, which in turn means that

[2] See Order No. PSC-06-0333-PAA-EI, issued on April 16, 2007, in Docket No. 070001-EI, In Re: Fuel and purchased power cost recovery with generating performance incentive factor.

FPUC's 2009 fuel cost recovery factors will be lower as well. In a 2000 case similar to this one, the Commission approved a mid-course correction of less than 10 percent for Progress Energy Florida (Florida Power Corporation), which Progress petitioned for based on similar reasoning.[3]

Table 1
2008 Estimated True-up Components and Amounts
May 2008 Mid-Course Petition
Florida Public Utilities Company

Component	Northeast Division	Northwest Division
2007 Final True-up	$949,245	$442,219
2008 Under Recovery	-2,792,020	-1,903,744
2008 Interest	-822	-22,498
Estimated December 2008 End-of-Period Total Net True-up	-$1,843,597	-$1,484,023
Jurisdictional Fuel Revenue Applicable to 2008	$20,694,778	$24,631,959
2008 Mid-Course Percent	8.91%	6.02%
Sources: Schedules M1 and F1 in the May 30, 2008, Mid-course Petition		

FPUC has petitioned the Commission to increase its cost recovery factors from 4.591 cents per kWh to 5.647 cents per kWh (FPUC-F) and from 4.711 cents per kWh to 5.242 (FPUC-M), beginning July 29, 2008. Staff notes that FPUC's final recovery factors for all rate classes recover purchased power demand costs as well as fuel costs. Attachment A shows the total the proposed mid-course correction fuel factors (for recovering demand costs as well as fuel costs) and FPUC's 2008 current factors for all rate classes. Based on FPUC's testimony filed in its mid-course correction petition, these new factors would eliminate the above-estimated 2008 under-recovery amounts if the Commission approves them and FPUC's estimated costs and revenue estimates are accurate.

FPUC's Estimated 2008 Under-recovery

FPUC states that its FPUC-M fuel cost under-recovery is due primarily to decreased mWh sales. FPUC-M has reduced its 2008 mWh sales estimate by 8.8 percent (31,132 mWh's), as shown in Table 2. FPUC's sales estimates used in the calculations of the proposed mid-course corrections are identical to the sales estimate used in setting FPUC's base rates earlier this year in Docket No. 070304-EI (see Order No. PSC-08-0327-FOF-EI, issued May 19, 2008). FPUC-M purchases power from Gulf Power Company (Gulf). FPUC-M pays fixed monthly demand charges to Gulf, throughout the year, based on its historical maximum demand. To collect a fixed number of dollars through the sale of 8.8 percent fewer kWh's, FPUC-M must raise its per kWh demand charge. FPUC-M expects its 2008 per kWh demand cost to rise by 0.503 cent from 3.199 cents to 3.702 cents. Also, in its 2008 projection filing, FPUC-M based its demand

[3] See Order No. PSC-00-1081-PCO-EI, issued on June 5, 2000, in Docket No. 000001-EI, In Re: Fuel and purchased power cost recovery with generating performance incentive factor.

estimate on a information that was updated after the 2007 fuel hearing. This newer estimate of peak demand, which is the basis for the 2008 demand charges paid to Gulf, also contributed to the under-recovery of demand costs. In addition, FPUC-M expects a slight increase (0.065 cents per kWh) in purchased power cost. Table 2 shows the estimated/actual per kWh costs, per the May 2008 mid-course petition, versus the estimated per kwh costs, per the 2008 projection filing.

FPUC-F states that its under recovery is primarily due to increased fuel cost charged by its supplier. FPUC-F purchases power from Jacksonville Electric Authority (JEA). JEA charges FPUC-F for the fuel cost of generation and purchased power. JEA has notified FPUC-F of a July 2008 rate increase to cover increases in fuel and purchased power costs. FPUC-F's expects its 2008 per kWh fuel cost to rise by 1.093 cents per kwh, from 6.200 cents per kwh to 7.293 cents per kwh. FPUC-F's expects demand charges paid to JEA to decrease slightly. Table 2 shows the proposed per kWh costs. In its mid-course petition, FPUC-F decreased its mWh sales estimate by 10.32 percent (35,378 mWhs).

Table 2
Change in Estimated 2008 MWH's, Fuel per kWh, and Demand per kWh
2008 Projection Filing (Estimated) versus 2008 Mid-Course Filing (Estimated/Actual)
Florida Public Utilities Company

	FPUC-M			FPUC-F		
	Estimated (1)	Estimated/Actual (2)	Difference	Estimated (1)	Estimated/Actual (2)	Difference
MWH's	354,771	323,638	-31,133 or -8.8%	342,846	307,468	-35,378 or -10.3%
Fuel Cents per kWh	4.429	4.494	0.065	6.200	7.293	1.093
Demand Cents per kWh	3.199	3.702	0.503	3.099	2.826	-0.273

Sources: (1) January – December Schedule E-1 in FPUC's 2008 Projection Filing
(2) 2008 Schedules M1 and F1 in FPUC's May 2008 Mid-course Filing

Impact of Mid-Course Correction on FPUC's Ratepayers

If the Commission approves FPUC's petition, the monthly 1,000 kWh residential bill will increase by $12.32 (10.89 percent) to $123.45 in the Northwest Division. For the Northeast Division, the monthly 1,000 kWh residential bill would increase by $15.38 (15.22 percent), to $116.44.

Table 3 below shows the recent trend in FPUC's fuel factors and 1,000 kWh residential bills.

Table 3
Trend for FPUC's Fuel Factors and Residential Bills

		Apr-Dec 2004	2005	2006	Jan-Sept 2007	Oct-Dec 2007	2008 Current	2008 FPUC Proposed
FPUC-F	Levelized Fuel Cost Recovery Factor, ¢/kWh	1.569	2.326	1.851	3.412	4.494	4.591	5.647
FPUC- F	Residential 1,000 kWh Bill, $	55.08	62.22	58.52	77.98	90.13	101.06	116.44
FPUC-M	Levelized Fuel Cost Recovery Factor, ¢/kWh	2.430	2.681	2.815	2.709	3.583	4.711	5.242
FPUC-M	Residential 1,000 KWH Bill, $	66.49	69.56	71.26	70.29	79.81	111.13	123.45

Source: Orders approving factors issued in December/January for 2004-2008, Mid Course Petition Schedules E1 and June 13, 2008, direct testimony of Witness Mark Cutshaw

The increases in bills in recent years is due to the expiration of very favorable long-term purchased power contracts with Gulf Power Company and JEA at the end of 2007, and FPUC's rate case. The Commission approved a new purchased power contract for FPUC-F with JEA in Docket No. 060001-EI.[4] The cost of the new contract with JEA is reflected in FPUC-F's 2007 fuel factors. The Commission approved a new purchased power contract for FPUC-M and Gulf in Docket No. 070108-EI.[5] For FPUC-M, the new purchased power contract is reflected in the 2008 fuel factors.

Effective October 2007, the Commission granted FPUC a midcourse correction in Docket No. 070001-EI.[6]

FPUC's current 2008 bills reflect the increase in FPUC's base rates which the Commission granted in Docket No. 070304-EI.[7] The revised base rates went into effect May 22, 2008, and increased the 1,000 kWh residential bill for both divisions by $6.63.

With mid-course corrections in the past, the Commission has considered the stability of fuel factors within the year and between years (e.g. Order No. PSC-03-0382-PCO-EI, Page 9).

[4] See Order No. PSC-06-1057-FOF-EI, issued on December 22, 2006, in Docket No. 060001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.
[5] See Order No. PSC-07-0476-PAA-EI, issued on June 6, 2007, in Docket No. 070108-EI, In re: Petition for approval of agreement for generation services and related terms and conditions with Gulf Power Company for Northwest Division (Marianna) beginning 2008, by Florida Public Utilities Company.
[6] See Order No. PSC-07-0739-PCO-EI, issued September 17, 2007, in Docket No. 070001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.
[7] See Order No. PSC-08-0327-FOF-EI, issued May 19, 2008, in Docket No. 070304-EI, In re: Petition for rate increase by Florida Public Utilities Company.

The Commission has noted that stable annual fuel factors are important for customers because stable factors give customers more certainty in planning their expenditures for electricity. However, several issues are in tension with the concept of rate stability. [8]

If fuel and purchase power costs vary significantly from original estimates, then fuel factors will be less representative of costs and customers will not receive accurate price signals regarding the cost of electricity. In the case of actual and estimated fuel and purchase power costs being higher than original estimates, an under-recovery will result and, if not corrected, will affect the calculation of subsequent year fuel factors. In times of rising fuel prices, such an under-recovery can compound the rate impact because the subsequent year's fuel factors would reflect both the higher fuel prices and the prior year's under-recovery. In addition, interest would accrue on the under-recovery. Another aspect of deferred under-recoveries is the concept of intergenerational inequity. If a cost is deferred, even a year or portion of a year, a slightly different set of customers will be charged for collection of the costs incurred.

Consideration of a mid-course change to fuel factors involves balancing the goals of achieving a stable annual fuel factor with the goal of sending accurate price signals to customers. Consistent with past orders, staff believes it is appropriate for the Commission to consider the rate effects and bill impacts for not only the remaining months of the current year but also for the next calendar year.

Neither of FPUC's suppliers has given notice of any changes in fuel or demand charges for 2009. However, FPUC expects: 1) that fuel prices will increase further in 2008 and into 2009; 2) the price increases will affect Gulf's and JEA's fuel costs; and 3) Gulf's and JEA's increased fuel costs will be passed on to FPUC and its customers. FPUC wishes to avoid having its customers risk having to pay for the estimated 2008 under-recoveries in 2009 along with possible increased fuel costs next year.

Staff notes three things regarding 2009's fuel costs. First, as we reference the 2008 recovery factors from the 2007 fuel hearing,[9] we must recognize that we are now recommending revising those factors. We probably know less about 2009's actual fuel prices in June 2008 than we knew about 2008's actual fuel prices in November 2007. Second, regarding potential fuel costs not reflected by actual fuel prices for FPUC-M, its power supplier, Gulf, petitioned the Commission on June 19, 2008, for a mid-course correction to its 2008 fuel cost recovery factor with an estimated 2008 under-recovery true-up of 0.658 cents per kWh. Gulf's jurisdictional cents per kWh and its wholesale cents per kWh are the same ratio each month. To the extent that Gulf's under-recoveries affect its jurisdictional customers and wholesale customers similarly, FPUC-M's customers can expect to incur a purchased power cost increase in 2009. Third, FPUC-F does not expect that JEA's 2009 fuel costs will be lower than the 2008 mid-course estimates. FPUC-M has requested 2009 fuel cost information from JEA in preparation for its 2009 projection filing, which it will file in September (2009). Based on the best information

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[8] For a discussion of rate stability, see Order No. PSC-98-0691-FOF-PU, page 4. For a discussion of the impacts of deferrals and mid-course corrections, see Order No. PSC-03-0382-PCO-EI, pages 8 and 9.

[9] See Order No. PSC-06-0030-PAA-EI, issued on January 8, 2008, in Docket No. 070001-EI, In Re: Fuel and purchased power cost recovery with generating performance incentive factor.

now available, JEA expects that October-through-December fuel costs will remain in effect into 2009. JEA's generation is 75 percent coal and petroleum coke, 15 percent natural gas, and 10 percent nuclear.

While FPUC's rates have increased significantly during the past few years, primarily due to the expiration of very favorable long term purchase power contracts, the proposed mid-course corrections for both FPUC-F and FPUC-M are related to unavoidable fuel price increases as well as sales decreases already recognized by this Commission in FPUC's recent rate proceeding. While the Commission could optionally defer the collection of some portion of FPUC's estimated 2008 costs to 2009 fuel factors, staff believes its would not be in the best interest of FPUC's ratepayers to do so. Such action appears likely to result in a further increase in rates in 2009, above the proposed mid-course correction factors, based on the best information available at this time. In addition, allowing the cost to be recovered per FPUC's proposed mid-course correction would send customers accurate price signals and would avoid customer interest payments associated with deferral of cost recovery.

Conclusion

Mid-course corrections are procedural matters raised in the fuel docket prior to the issuance of the final fuel order. Requests for mid-course corrections require expedited review. FPUC still must file testimony in the fuel docket to support its re-projected and actual expenses. Staff will continue to conduct discovery on the actual and estimated expenditures of FPUC and if additional corrections are necessary, they will be addressed in at the fuel hearing in November.

If the Commission approves FPUC's petition, FPUC will use the proposed August-through-December 2008 recovery factors to collect the July estimated true-up and August's through December's actual expenses. By beginning collection of the 2008 fuel cost increases in August 2008, the 2009 recovery factors are expected to be less than if customers waited until 2009 to pay for the actual and estimated increases in costs. Staff believes that FPUC's proposal is reasonable.

Based on the foregoing, staff recommends that the Commission approve FPUC's petition for mid-course corrections to its authorized cost recovery factors to collect its estimated 2008 under-recoveries for its Fernandina Beach Division ($1,843,957) and its Marianna Division ($1,484,023) before 2009. Staff recommends the Commission approve FPUC's proposed rate class cost recovery factors shown in Attachment A.

Issue 2: What is the appropriate effective date for FPUC's revised cost-recovery factors?

Recommendation: If the Commission approves Issue 1, the effective date of the revised cost-recovery factors should be July 29, 2008. (Draper, Matlock, Lester)

Staff Analysis: FPUC has requested an effective date of August 2008. The first billing cycle day for August is July 29, 2008. In other words, customers whose meters are read on or after July 29, 2008 will be billed under the new recovery factors. An effective date of July 29, 2008 ensures that all customers are billed under the new factors for the same amount of time.

FPUC will notify its customers of its mid-course correction through a direct mailing on June 25, 2008. The June 25 mailing date ensures that customer receive a 30-day notice that fuel factors may change on July 29, 2008. Specifically, the notice will state FPUC's proposed total amount for each division, the effective date of the proposed cost recovery factors, and the impact on a 1,000 kWh residential bill. Staff has reviewed the notices for both divisions. FPUC proposes to include details of the Commission's decision in customers' August bills.

Providing customers with a 30-day notice period prior to implementing new fuel factors as a result of a midcourse correction is consistent with the Commission's past decisions.[10] Providing 30-days' notice allows customers the opportunity to adjust their usage in light of the new factors.

Staff believes that FPUC's proposed effective date and plan to notify its customers are appropriate and should therefore be approved.

[10] See Order No. PSC-07-0739-PCO-EI, issued September 17, 2007, in Docket No. 070001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Issue 3: Should this docket be closed?

Recommendation: No. The Fuel and Purchased Power Cost Recovery Clause is an on-going docket and should remain open.

Staff Analysis: The Fuel and Purchased Power Cost Recovery Clause docket is an ongoing docket should remain open. If Issue 1 is approved, the cost recovery factor should become effective July 29, 2008.

Table 4 **Fuel Cost Recovery Factors by Rate Schedule** **Fernandina Beach (Northeast Division)**		
Rate Schedule	Current Fuel cost-recovery factor (c/kWh)	Proposed Fuel cost-recovery factor (c/kWh)
RS – First 1,000 kWh	6.628	8.128
RS – Above 1,000 kWh	7.628	9.128
GS	6.811	8.225
GSD	6.481	7.840
GSLD	6.533	7.901
OL	5.005	6.083
SL	4.961	6.135

Table 5 **Fuel Cost Recovery Factors by Rate Schedule** **Marianna (Northwest Division)**		
Rate Schedule	Current Fuel cost-recovery factor (c/kWh)	Proposed Fuel cost-recovery factor (c/kWh)
RS – First 1,000 kWh	7.610	8.811
RS – Above 1,000 kWh	8.610	9.811
GS	7.840	8.945
GSD	7.483	8.522
GSLD	7.151	8.128
OL	6.097	6.870
SL	6.146	6.910